



INDUSTRY PROFILE

Global Computers & Peripherals

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EXECUTIVE SUMMARY

Market value

The global computers & peripherals industry shrank by 1.1% in 2009 to reach a value of \$534.4 billion.

Market value forecast

In 2014, the global computers & peripherals industry is forecast to have a value of \$690.1 billion, an increase of 29.1% since 2009.

Market segmentation I

PCs sales proved the most lucrative for the global computers & peripherals, accounting for 44.6% of the industry's total value.

Market segmentation II

Europe accounts for 36.7% of the global computers & peripherals industry value.

Market share

Hewlett-Packard Company is the leading player in the global computers & peripherals industry, generating a 14% share of the industry's value.

Market rivalry

The computers and peripherals industry is dominated by a number of large players such as Hewlett-Packard and Dell. The concentration of the industry is a continuing trend, with merger and acquisition activity being common. This avoids threats from emerging companies, but rivalry is intense between the major players.

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MARKET OVERVIEW

Market definition

The global computers and peripherals industry comprises of the global computer hardware market and the global computer storage & peripherals market. Values represent end-user spending. The computer hardware market consists of personal computers and servers and networking. The computer storage and peripherals market includes manufacturers of electronic computer components and peripherals, such as data storage components, motherboards, audio and video cards, monitors, keyboards, printers and other peripherals. The market value excludes semiconductors classified in the Semiconductors sub-industry. Any currency conversions used in the creation of this report have been calculated using constant annual 2009 average exchange rates.

For the purposes of this report, the global market consists of North America, South America, Western Europe, Eastern Europe, and Asia-Pacific.

Research highlights

The global computers & peripherals industry generated total revenues of \$534.4 billion in 2009, representing a compound annual growth rate (CAGR) of 3.7% for the period spanning 2005-2009.

PCs sales proved the most lucrative for the global computers & peripherals industry in 2009, generating total revenues of \$238.2 billion, equivalent to 44.6% of the industry's overall value.

The performance of the industry is forecast to accelerate, with an anticipated CAGR of 5.2% for the five-year period 2009-2014, which is expected to drive the industry to a value of \$690.1 billion by the end of 2014.

Market analysis

The global computers & peripherals industry fell into decline in 2009 after a period of fluctuating growth. Recovery is expected in 2010, after which the market will grow at a steady rate for the remainder of the forecast period until 2014.

The global computers & peripherals industry generated total revenues of \$534.4 billion in 2009, representing a compound annual growth rate (CAGR) of 3.7% for the period spanning 2005-2009. In comparison, the European and Asia-Pacific industries grew with CAGRs of 5.2% and 5% respectively, over the same period, to reach respective values of \$196.2 billion and \$119.5 billion in 2009.

PCs sales proved the most lucrative for the global computers & peripherals industry in 2009, generating total revenues of \$238.2 billion, equivalent to 44.6% of the industry's overall value. In comparison, Server and Networking sales generated revenues of \$145.4 billion in 2009, equating to 27.2% of the industry's aggregate revenues.

The performance of the industry is forecast to accelerate, with an anticipated CAGR of 5.2% for the five-year period 2009-2014, which is expected to drive the industry to a value of \$690.1 billion by the end of 2014. Comparatively, the European and Asia-Pacific industries will grow with CAGRs of 6.7% and 7% respectively, over the same period, to reach respective values of \$270.8 billion and \$167.6 billion in 2014.

MARKET VALUE

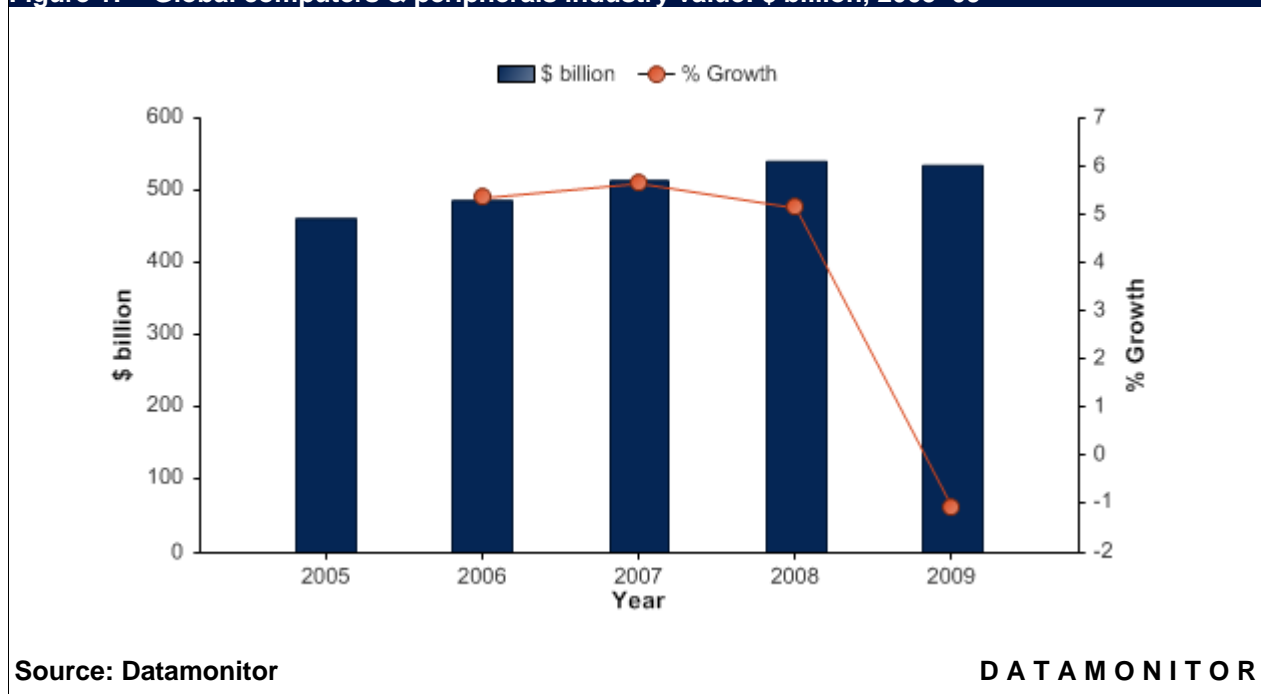
The global computers & peripherals industry shrank by 1.1% in 2009 to reach a value of \$534.4 billion.

The compound annual growth rate of the industry in the period 2005–09 was 3.7%.

Table 1: Global computers & peripherals industry value: \$ billion, 2005–09

Year	\$ billion	€billion	% Growth
2005	461.6	332.0	
2006	486.3	349.7	5.3%
2007	513.7	369.5	5.6%
2008	540.1	388.4	5.1%
2009	534.4	384.3	(1.1%)
CAGR: 2005–09			3.7%
Source: Datamonitor			DATAMONITOR

Figure 1: Global computers & peripherals industry value: \$ billion, 2005–09



MARKET SEGMENTATION I

PCs sales proved the most lucrative for the global computers & peripherals, accounting for 44.6% of the industry's total value.

The server and networking segment accounts for a further 27.2% of the industry.

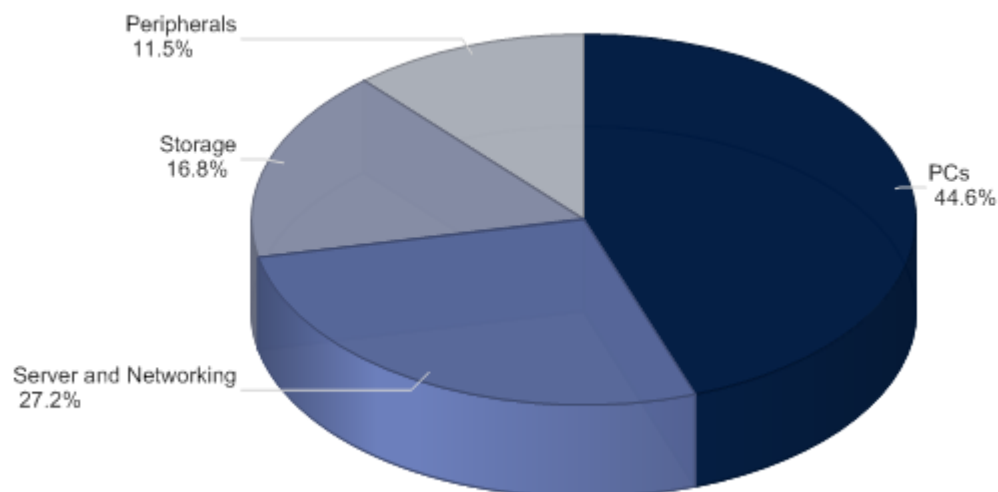
Table 2: Global computers & peripherals industry segmentation I: % share, by value, 2009

Category	% Share
PCs	44.6%
Server and Networking	27.2%
Storage	16.8%
Peripherals	11.5%
Total	100%

Source: Datamonitor

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Figure 2: Global computers & peripherals industry segmentation I: % share, by value, 2009



Source: Datamonitor

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MARKET SEGMENTATION II

Europe accounts for 36.7% of the global computers & peripherals industry value.

The Americas accounts for a further 35.6% of the global industry.

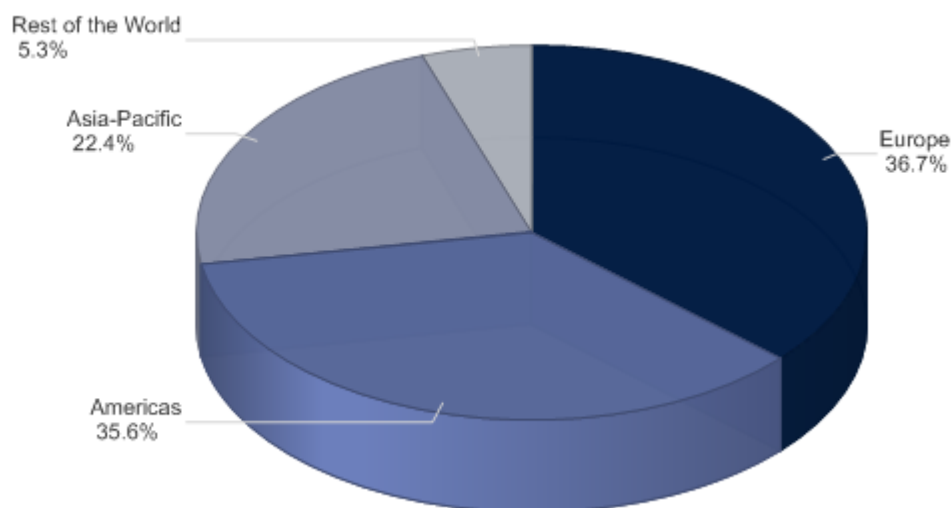
Table 3: Global computers & peripherals industry segmentation II: % share, by value, 2009

Category	% Share
Europe	36.7%
Americas	35.6%
Asia-Pacific	22.4%
Rest of the World	5.3%
Total	100%

Source: Datamonitor

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Figure 3: Global computers & peripherals industry segmentation II: % share, by value, 2009



Source: Datamonitor

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MARKET SHARE

Hewlett-Packard Company is the leading player in the global computers & peripherals industry, generating a 14% share of the industry's value.

Dell Computer Corporation accounts for a further 10.2% of the industry.

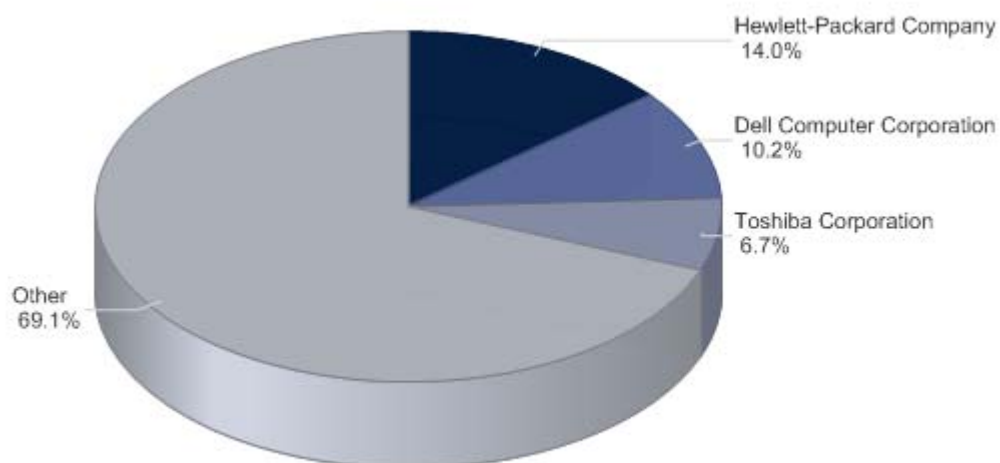
Table 4: Global computers & peripherals industry share: % share, by value, 2009

Company	% Share
Hewlett-Packard Company	14.0%
Dell Computer Corporation	10.2%
Toshiba Corporation	6.7%
Other	69.1%
Total	100%

Source: Datamonitor

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Figure 4: Global computers & peripherals industry share: % share, by value, 2009



Source: Datamonitor

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COMPETITIVE LANDSCAPE

The computers & peripherals market will be analyzed taking manufacturers of computer hardware and software as players. The key buyers will be taken as individual and commercial end-users, and electronic component manufacturers as the key suppliers.

The computers and peripherals industry is dominated by a number of large players such as Hewlett-Packard and Dell. The concentration of the industry is a continuing trend, with merger and acquisition activity being common. This avoids threats from emerging companies, but rivalry is intense between the major players.

The global computers and peripherals industry is composed of the computer hardware market and the computer storage and peripherals market. Manufacturers have a wide variety of potential customers since the use of such products is pervasive within domestic and professional environments. Technological expertise is essential for entry to this industry. Companies within this industry tend to invest in considerable research and development activity in order to develop novel products that supersede those of competitors. Such R&D activity usually requires significant capital outlay. Rivalry in this market is boosted due to a number of factors including high fixed costs and exit barriers.

The global computers and peripherals industry is composed of the computer hardware market and the computer storage and peripherals market, and as such, encompasses diverse activities that range from serving the business infrastructure requirements of companies to providing PCs and peripherals to individual consumers. The presence of such a wide variety of potential customers weakens buyer power considerably. Major buyers of products in this industry are business customers for whose operations such equipment is often indispensable. Business customers often have supply contracts with individual manufacturers and therefore often incur significant switching costs. Brand image can play an important role in this industry, with companies such as Hewlett-Packard relying upon their strong brand image to maximize sales. However, although brand awareness is high, customers are generally more interested in the quality and specifications of individual products, and customer loyalty is therefore relatively low. Buyer power within this industry is assessed as moderate overall.

Suppliers to the computers and peripherals industry generally include electronic component manufacturers. The majority of components supplied to this industry display minimal differentiation and, in order to reduce costs, are often sourced from companies operating from low-cost manufacturing regions. Manufacturers do not incur significant costs when switching basic component suppliers and, in such instances, supplier power is low. However, a number of companies such as Hewlett-Packard and Dell are dependent on one or a limited number of suppliers for some sophisticated components. Consequently, if any of such suppliers were to cancel or materially change contracts or commitments, or fail to meet the quality or delivery requirements needed to satisfy customer orders for products, players could lose customer orders. As a result, players would be unable to develop or sell certain products cost-effectively or on a timely basis, if at all, and have significantly decreased revenues and earnings, which would have an adverse effect on business, results of operations and the financial condition of market players'

business. Such suppliers have disproportionately high supplier power. A number of players operating in this industry put significant pressure on suppliers by manufacturing components and selling them on to other players or using them in their own products. Supplier power is assessed as strong overall.

Technological expertise are essential for entry to this industry, with capital being required for a skilled workforce. Market players tend to benefit from significant scale economies in manufacturing. Furthermore, those most successful within the industry diversify their operations into the many sectors involved and, as a result, tend to be large conglomerates such as IBM and Toshiba. However, on a smaller level, certain companies have gained leadership by specializing in a particular product group, such as Cisco Systems' specialization in IP networking systems. Manufacturers within this industry must continually invest in research and development in order to bring improved products to the market. Such R&D activity usually requires significant capital outlay. For example, Hewlett-Packard Company's expenditures for research and development were \$3.6 billion in fiscal year 2007. The environment of this industry is fast-paced. Some larger companies attempt to remain ahead of technological advancements through technological alliances. Many products are patent protected and often manufactured and sold under license. Protection of intellectual property by defending patents is an additional cost for manufacturers. Companies rely on patent, copyright, trademark and trade secret laws and contract rights to establish and maintain proprietary rights in technology and products. Although customer loyalty to specific manufacturers is relatively low, brand awareness is high, which restricts the entry of new players into the industry somewhat. Overall, there is a weak likelihood of new entrants to this industry.

The threat of substitutes within the computers and peripherals industry is moderate, with much of the functionality of modern PCs being unavailable through alternative means. However, one of the largest threats to the consumer PC market lies within the sphere of gaming, especially with respect to next generation games consoles, whose increased specifications are attracting gamers away from the PC format. Mobile phones and similar hand-held devices with email and web browser capability can also supplant much of the communication role of PCs. Televisions are also starting to offer online services and increased functionality.

The computers and peripherals industry is dominated by a number of large players such as Hewlett-Packard and Dell. The concentration of the industry is a continuing trend, with merger and acquisition activity being common. There are significant pricing pressures within the industry that act to intensify rivalry between players. However, a number of companies attempt to offset such pressures by outsourcing the manufacturing of certain computer components to contract manufacturers in the Asia-Pacific region. Rapidly improving technology in both size and functionality, combined with the demands of new software upon platform requirements, leads to relatively short product-lifecycles for PC hardware. Although bolstering overall computer sales, this places significant demands upon manufacturers to keep up with rapidly changing consumer trends, whilst generating a fiercely competitive environment. A number of larger players within this industry are large conglomerates (e.g. IBM and Toshiba). Such companies have highly diversified operations, which alleviates rivalry to an extent. Overall, rivalry within this industry is assessed as moderate.

LEADING COMPANIES

Dell Inc.

Table 5: Dell Inc.: key facts

Head office:	One Dell Way, Round Rock, Texas 78682, USA
Telephone:	1 512 338 4400
Fax:	1 512 283 6161
Website:	www.dell.com
Financial year-end:	January
Ticker:	DELL
Stock exchange:	NASDAQ

Source: company website

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Dell designs, develops, manufactures, markets, sells and supports information technology systems and services. The company's strategy over the years has been to offer products directly to large corporate, government and organizations as well as small to medium businesses and individual consumers. However, in recent years, the company has been employing indirect sales channels strategy by offering its products through large retailers in different countries. It operates across Americas; Europe, the Middle East and Africa (EMEA), and Asia Pacific regions.

Dell's products and services are categorized into six divisions: desktop personal computers (PC); mobility products; software and peripherals; servers and networking; services; and storage. It also provides financing services for its customers.

The desktop PC division offers three product lines: XPS, Alienware, OptiPlex, Inspiron, Vostro and Precision.

The XPS and Alienware lines of products target customers requiring best experiences and designs available. The OptiPlex line is designed for business, government and institutional customers. The Inspiron line is designed for mainstream PC users requiring the latest features for their productivity and entertainment needs. The Vostro line is designed to provide technology and services to suit the specific needs of small businesses. Dell Precision desktop workstations are for professional users requiring performance from hardware platforms optimized and certified to run sophisticated applications.

The mobility products division offers notebooks under five lines: XPS, Alienware, Inspiron, Latitude, Vostro and Precision.

The XPS and Alienware lines of laptops are targeted at customers seeking the best experiences. These laptops are available from sleek, elegant, thin and light designs to the highest performance gaming systems. The Inspiron line of laptops is designed for users seeking the latest technology and high performance with emphasis on style and affordability. The Latitude line laptops are designed for business, governments and institutions. The Vostro line is designed to customize technology, services and expertise to suit the specific needs of small businesses. The Precision line of mobile workstations is designed for professionals requiring performance to run sophisticated applications. In FY2009, the company made the largest product launch in its history with new E-Series commercial Latitude and Dell Precision notebooks.

The software and peripheral division offers Dell-branded printers and displays as well as third-party peripheral products, including software titles, printers, televisions, laptop accessories, networking and wireless products, digital cameras, power adapters, scanners, and other products.

The company's software offerings include a wide range of third-party software products, including operating systems, business and office applications, anti-virus and related security software, entertainment software, and products in various other categories. Its software offerings also include Dell Download Store, an online software store for consumers and small-and-medium-sized businesses, which was launched in FY2009.

Dell's printer offerings include a wide array of Dell-branded printers, ranging from ink-jet all-in-one printers for consumers to large multifunction devices for corporate workgroups.

It also offers a broad line of branded and non-branded display products, including flat panel monitors and projectors. It offers consumer monitor line-up with integrated camera and microphone.

The servers and networking division offers various servers and networking products. Its portfolio includes standards-based PowerEdge line of servers and customized Dell server solutions for very large data center customers. It also offers PowerConnect switches used to connect computers and servers in small-to-medium-sized networks.

Dell's global services business offers a broad range of configurable IT services. Its service portfolio includes infrastructure consulting, deployment, asset recovery and recycling, training, support and managed services.

Its infrastructure consulting services allow customers to evaluate, design and implement standards-based IT infrastructures.

The deployment services facilitate the deployment of enterprise products and computer systems in customers' environments.

Its asset recovery and recycling services offer a variety of flexible services for secure and environmentally safe recovery and disposal of owned and leased IT equipment. It offers various options, including resale, recycling, donation, redeployment, employee purchase and lease return.

The company also offers a training service to help customers develop the skills and knowledge of key technologies and systems. Its courses include hardware and software training as well as PC skills and professional development classes available through instructor-led, virtual, or self-directed online courses.

It also offers a suite of scalable support services designed for IT professionals and end-users. Its support services include warranty services and proactive maintenance offerings. These services are supported by the company's network of global command centers in the US, Ireland, China, Japan and Malaysia.

The company also offers a full suite of managed service solutions for companies intending to outsource IT management. It manages a portion of their IT tasks or provides an end-to-end solution.

Dell offers a portfolio of advanced storage solutions, including storage area networks, network-attached storage, direct-attached storage, disk and tape backup systems, and removable disk backup. Some of its offerings include Dell PowerVault, Dell EqualLogic, and Dell EMC storage systems.

The company also offers or arranges various customer financial services for its business and consumer customers in the US through Dell Financial Services (DFS), a wholly-owned subsidiary of Dell. DFS offers a wide range of financial services, including originating, collecting and servicing customer receivables related to the purchase of Dell products. DFS also offers private label credit financing programs through CIT Bank to qualified consumer and small business customers and offers leases and fixed-term financings to business customers.

Over the years, Dell offered its products and services directly to customers through dedicated sales representatives, telephone-based sales and online at www.dell.com. However, in 2007, it began offering select products through indirect sales channels, such as retail stores, in several countries in the Americas, EMEA and Asia Pacific regions. At the end of FY2009, the company had a presence in 24,000 retail locations worldwide. Its strategic relationships with various major retailers in larger geographic regions include Staples, Wal-Mart and Best Buy in the US; Wal-Mart and Pontofrio (Latin America); Carphone Warehouse, Carrefour, Tesco and DSGi (EMEA); and Gome, HiMart, Courts and Bic Camera (Asia Pacific).

Key Metrics

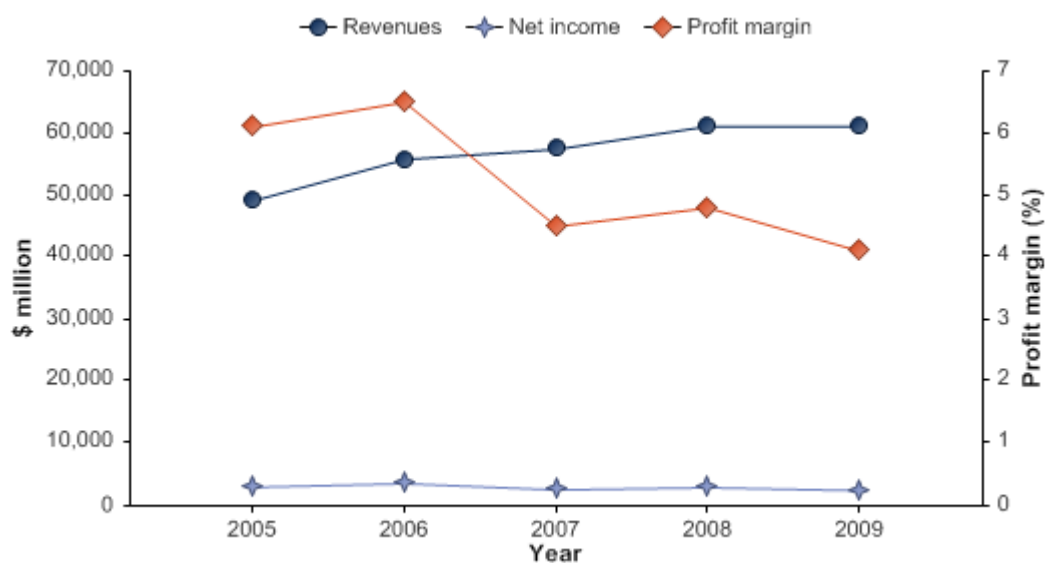
The company recorded revenues of \$61,101 million in the fiscal year ending January 2009, which was within 0.1% of the revenue in fiscal 2008. Its net income was \$2,478 million in fiscal 2009, compared to a net income of \$2,947 million in the preceding year.

The US, Dell's largest geographical market, accounted for 51.7% of the total revenues in FY2009. Revenues from the US reached \$31,569 million in FY2009, a decrease of 3.4% over FY2008.

Foreign countries accounted for 48.3% of the total revenues in FY2009. Revenues from Foreign countries reached \$29,532 million in FY2009, an increase of 3.8% over FY2008.

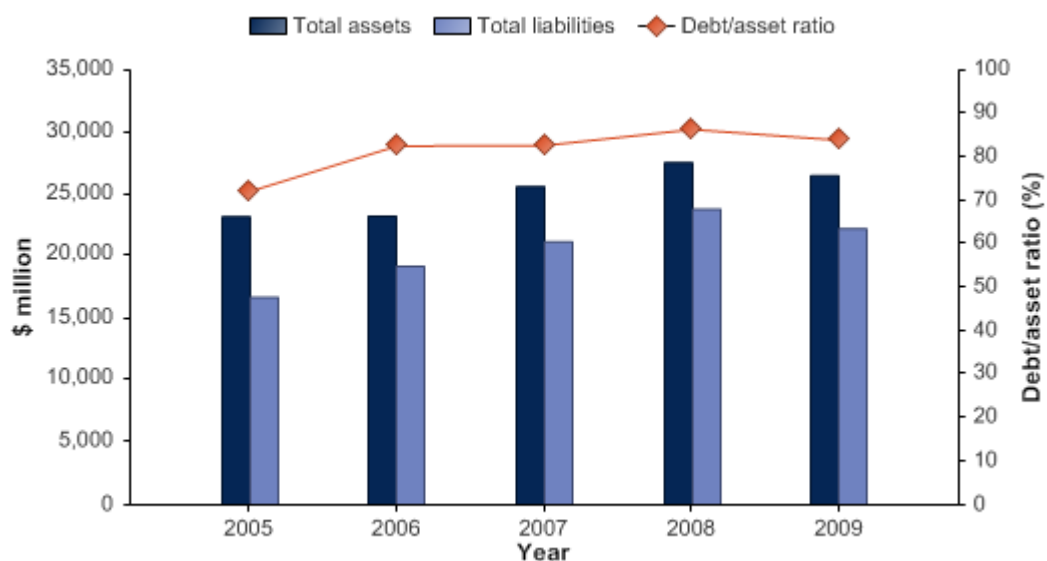
Table 6: Dell Inc.: key financials (\$)					
\$ million	2005	2006	2007	2008	2009
Revenues	49,121	55,788	57,420	61,133	61,101
Net income (loss)	3,018	3,602	2,583	2,947	2,478
Total assets	23,215	23,252	25,635	27,561	26,500
Total liabilities	16,730	19,205	21,196	23,826	22,229
Employees	55,200	65,200	83,000	76,500	76,500
Source: company filings				DATAMONITOR	

Table 7: Dell Inc.: key financial ratios					
Ratio	2005	2006	2007	2008	2009
Profit margin	6.1%	6.5%	4.5%	4.8%	4.1%
Revenue growth	18.5%	13.6%	2.9%	6.5%	(0.1%)
Asset growth	20.2%	0.2%	10.2%	7.5%	(3.8%)
Liabilities growth	28.4%	14.8%	10.4%	12.4%	(6.7%)
Debt/asset ratio	72.1%	82.6%	82.7%	86.4%	83.9%
Return on assets	14.2%	15.5%	10.6%	11.1%	9.2%
Revenue per employee	\$889,873	\$855,644	\$691,807	\$799,124	\$798,706
Profit per employee	\$54,674	\$55,245	\$31,120	\$38,523	\$32,392
Source: company filings				DATAMONITOR	

Figure 5: Dell Inc.: revenues & profitability

Source: company filings

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Figure 6: Dell Inc.: assets & liabilities

Source: company filings

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Hewlett-Packard Company

Table 8: Hewlett-Packard Company: key facts

Head office:	3000 Hanover Street, Palo Alto, California 94304 1185, USA
Telephone:	1 650 857 1501
Fax:	1 650 857 5518
Website:	www.hp.com
Financial year-end:	October
Ticker:	HPQ
Stock exchange:	New York

Source: company website
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Hewlett-Packard (HP) is one of the leading global providers of technology products, software, solutions and services. The company serves a broad range of customers including individuals, small and medium size businesses (SMBs) and large enterprises. Its wide range of offerings include PCs and related access devices; imaging and printing-related products and services; enterprise information technology (IT) infrastructure; and technology services. The company offers its products across the world, and operates development and manufacturing facilities in the US, the UK, Israel, Ireland, the Netherlands, China, India, Japan and Singapore.

HP operates through seven business segments: enterprise storage and servers (ESS), HP Services (HPS), HP Software, the personal systems group (PSG), the imaging and printing group (IPG), HP Financial Services (HPFS) and corporate investments. However, ESS, HPS and HP Software segments are reported collectively as the technology solutions group (TSG).

The TSG provides servers, storage, software and IT services to enterprise and midmarket business customers. TSG's IT systems and services are primarily standards-based and feature differentiated technologies applicable in several areas, including power and cooling, unified management, security, virtualization and automation.

The ESS segment of the TSG provides a broad portfolio of storage and server solutions including industry standard servers, business critical systems and storage. The industry standard servers include primarily entry-level and mid-range ProLiant servers, which run mainly on Windows, Linux and Novell operating systems and use Intel and Advanced Micro Devices (AMD) processors. The business includes a range of product lines comprising pedestal-tower servers, density-optimized rack servers and HP's BladeSystem family of server blades. The business critical systems include Itanium-based Integrity servers running on the HP-UX, Windows, Linux, OpenVMS and NonStop operating systems, including the high-end

Superdome servers and fault-tolerant Integrity NonStop servers. The business critical systems also include the Reduced Instruction Set Computing (RISC)-based servers with the HP 9000 line running on the HP-UX operating system, HP AlphaServers running on both Tru64 UNIX and OpenVMS, and MIPS-based NonStop servers. The segment's storage offerings include StorageWorks including entry-level, mid-range and high-end arrays, storage area networks (SAN), network attached storage (NAS), storage management software and virtualization technologies, as well as tape drives, tape libraries and optical archival storage.

The HPS segment provides a portfolio of multi-vendor IT services, including technology services, consulting and integration, and outsourcing services. It also offers various services tailored to particular industries such as communications, media and entertainment, manufacturing and distribution, financial services, health and life sciences, and the public sector, including government services.

The segment provides a range of technology services from standalone product support to high-availability services for complex, global, networked, multi-vendor environments. The business also manages the delivery of product warranty support through its own service organization, as well as through authorized partners.

HPS provides consulting and integration services to architect, design and implement technology and industry-specific solutions for customers. It also provides cross-industry solutions in the areas of architecture and governance, infrastructure, applications and packaged applications, security, IT service management, information management and enterprise Microsoft solutions.

The segment offers various IT management and outsourcing services supporting the customers' infrastructure, applications, business processes, end user workplaces, print environments and business continuity and recovery requirements.

HP strengthened HPS services through the acquisition of EDS in 2008. As a result, EDS's business operations were added as a new business unit within HPS for financial reporting purposes in the fourth quarter of FY2008. EDS provides IT, applications, and BPO services to governments and commercial customers mainly in the manufacturing, financial services, healthcare, communications, energy, transportation, and consumer and retail industries.

The HP Software segment offers enterprise and service provider software and services. Its portfolio consists of enterprise IT management software, information management and business intelligence solutions, and OpenCall Solutions.

The enterprise IT management software solutions include support and professional services for managing IT infrastructure, operations, applications, IT services and business processes. These solutions also include tools to automate data center operations and IT processes. The company markets these solutions as the HP Business Technology Optimization suite of products and services. It delivers these solutions in

the form of traditional software licenses and, in some cases, through the Software as a Service (SaaS) distribution model.

The information management and business intelligence solutions include enterprise data warehousing, information business continuity, data availability, compliance and e-discovery products. These products can be used on both structured and unstructured data and information.

OpenCall is a suite of carrier-grade software platforms for service providers that enable them to develop and deploy next-generation voice, data and converged network services.

PSG is one of the leading providers of PCs in the world. The segment provides commercial PCs, consumer PCs, workstations, handheld computing devices, calculators, and other related accessories, software and services for the commercial and consumer markets. The segment is organized into two categories: commercial clients and consumer clients. The commercial clients include commercial desktops, commercial notebooks and workstations operations; and consumer clients include consumer desktop and consumer notebooks. The commercial and consumer PCs are based predominately on the Windows operating system and use Intel and AMD processors. The commercial PCs include primarily the HP Compaq business desktops, notebooks and Tablet PCs; the HP EliteBook line of Mobile Workstations and professional notebooks; HP Mini-Note PCs; HP Blade PCs; Retail POS systems; and the HP Compaq and Neoware Thin Clients. The consumer PCs include the HP Pavilion and Compaq Presario series of multimedia consumer desktops and notebooks, the HP Pavilion Elite desktops, HP HPDX Premium notebooks, Touchsmart PCs, and Voodoo Gaming PCs.

PSG also offers workstations, handhelds and digital entertainment products. It offers workstations running on both Windows and Linux-based operating systems. It provides a series of HP iPAQ Pocket PC handheld computing devices that run on Windows Mobile software. Its digital entertainment products span a range of products and product categories that allow customers to use a broad range of digital entertainment products, mainly targeting the intersection of the personal computing and consumer electronics markets. The digital entertainment products include the Media Smart home servers, HD DVD and RW drives and DVD writers.

The IPG segment is one of the leading imaging and printing systems providers in the world for consumer and commercial printer hardware, printing supplies, printing media and scanning devices. IPG is also focused on imaging solutions in the commercial markets, from managed print services solutions to addressing new areas in commercial printing and high-value pages in areas such as industrial applications, outdoor signage and the graphic arts business. The segment is organized into consumer hardware including inkjet printer units and retail products and services; commercial hardware including LaserJet and enterprise solutions and graphics solutions; and printer supplies.

The inkjet and web solutions unit offers consumer and SMB inkjet solutions, as well as retail and web businesses. It includes single function and all-in-one inkjet printers for consumers and SMBs as well as retail publishing solutions, Snapfish, and Logoworks.

LaserJet and enterprise solutions unit offers products and services to the enterprise segment. It includes LaserJet printers and supplies, Edgeline, scanners, enterprise software solutions such as Exstream Software and Web Jetadmin, managed print services products and solutions, and Halo telepresence.

Its graphics solutions include large format printing (Designjet, Scitex, ColorSpan and NUR), large format supplies, WebPress supplies, Indigo printing, specialty printing systems, inkjet high-speed production solutions and light production solutions. Its printer supplies include LaserJet toner; inkjet cartridges; graphic solutions ink products, including inks for large format, super-wide and digital press products; and other printing related media. These supplies include HP-branded Vivera and ColorSphere ink and HP Premium and Premium Plus photo papers.

HPFS provides a broad range of value-added financial life-cycle management services to support and enhance HP's global product and service solutions. The group offers leasing, financing, utility programs and asset recovery services, as well as financial asset management services for global and enterprise customers. HPFS also provides an array of specialized financial services to SMBs and educational and governmental entities.

HP's corporate investments segment includes Hewlett-Packard Laboratories (HP Labs), and certain business incubation projects. It also comprises certain network infrastructure products, including Ethernet switch products under the brand ProCurve Networking. The segment also handles licensing of specific HP technology to third parties. HP Labs are located in Palo Alto, California; Beijing, China; Bangalore, India; Haifa, Israel; Tokyo, Japan; and Bristol, the UK.

Key Metrics

The company recorded revenues of \$114,552 million in the fiscal year ending October 2009, a decrease of 3.2% compared to fiscal 2008. Its net income was \$7,660 million in fiscal 2009, compared to a net income of \$8,329 million in the preceding year.

HP generates revenues through seven business divisions: personal systems group (30.3% of the total segment revenues in FY2009), imaging and printing group (20.6%), HP Services (29.8%), enterprise storage and servers (13.2%), HP Software (3.1%), HP Financial Services (2.3%) and corporate investments (0.7%).

In FY2009, the personal systems group (PSG) division recorded revenues of 35,305 million, compared to \$42,295 million in FY2008.

The imaging and printing group (IPG) division recorded revenues of \$24,011 million in FY2009, compared to \$29,614 million in FY2008.

The HP Services (HPS) division recorded revenues of \$34,693 million in FY2009, compared to \$20,977 million in FY2008.

The enterprise storage and servers (ESS) division recorded revenues of \$15,359 million in FY2009, compared to \$19,400 million in FY2008.

The HP Software division recorded revenues of \$3,572 million in FY2009, compared to \$4,220 million in FY2008.

The HP Financial Services (HPFS) division recorded revenues of \$2,673 million in FY2009, compared to \$2,698 million in FY2008.

The corporate investments division recorded revenues of \$768 million in FY2009, compared to \$965 million in FY2008.

The US operations accounted for 36.1% of the total revenues in FY2009. Revenues from the US reached \$41,314 million in FY2009, compared to \$36,932 million in FY2008.

Non US operations accounted for 63.9% of the total revenues in FY2009. Revenues from non US operations reached \$73,238 million in FY2009, compared to \$81,432 million in FY2008.

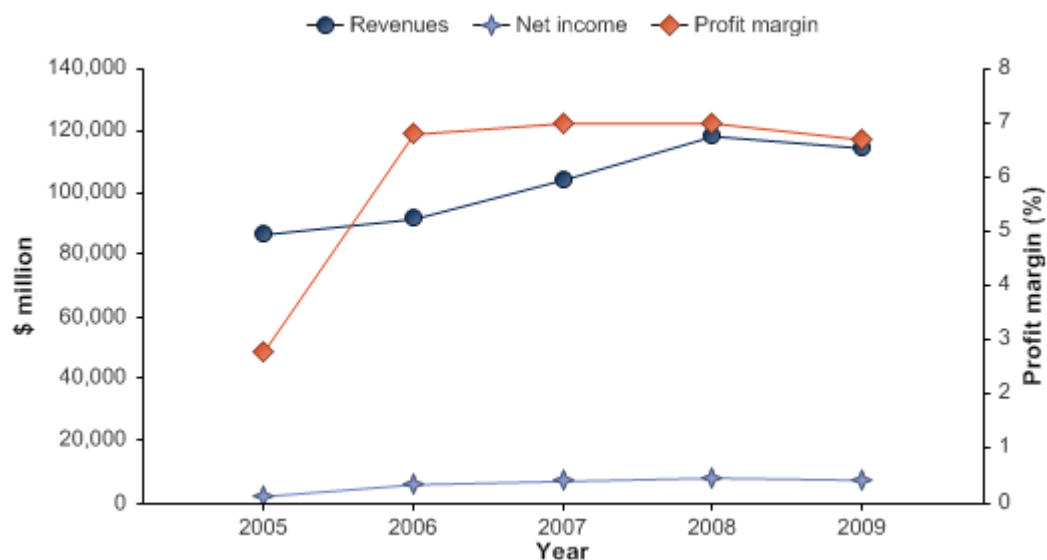
Table 9: Hewlett-Packard Company: key financials (\$)					
\$ million	2005	2006	2007	2008	2009
Revenues	86,696	91,658	104,286	118,364	114,552
Net income (loss)	2,398	6,198	7,264	8,329	7,660
Total assets	86,696	81,981	88,699	113,331	114,799
Total liabilities	31,460	43,837	50,173	74,389	74,282
Employees	150,000	156,000	172,000	321,000	304,000
Source: company filings				DATAMONITOR	

Table 10: Hewlett-Packard Company: key financial ratios

Ratio	2005	2006	2007	2008	2009
Profit margin	2.8%	6.8%	7.0%	7.0%	6.7%
Revenue growth	8.5%	5.7%	13.8%	13.5%	(3.2%)
Asset growth	8.5%	(5.4%)	8.2%	27.8%	1.3%
Liabilities growth	10.0%	39.3%	14.5%	48.3%	(0.1%)
Debt/asset ratio	36.3%	53.5%	56.6%	65.6%	64.7%
Return on assets	2.9%	7.3%	8.5%	8.2%	6.7%
Revenue per employee	\$577,973	\$587,551	\$606,314	\$368,735	\$376,816
Profit per employee	\$15,987	\$39,731	\$42,233	\$25,947	\$25,197

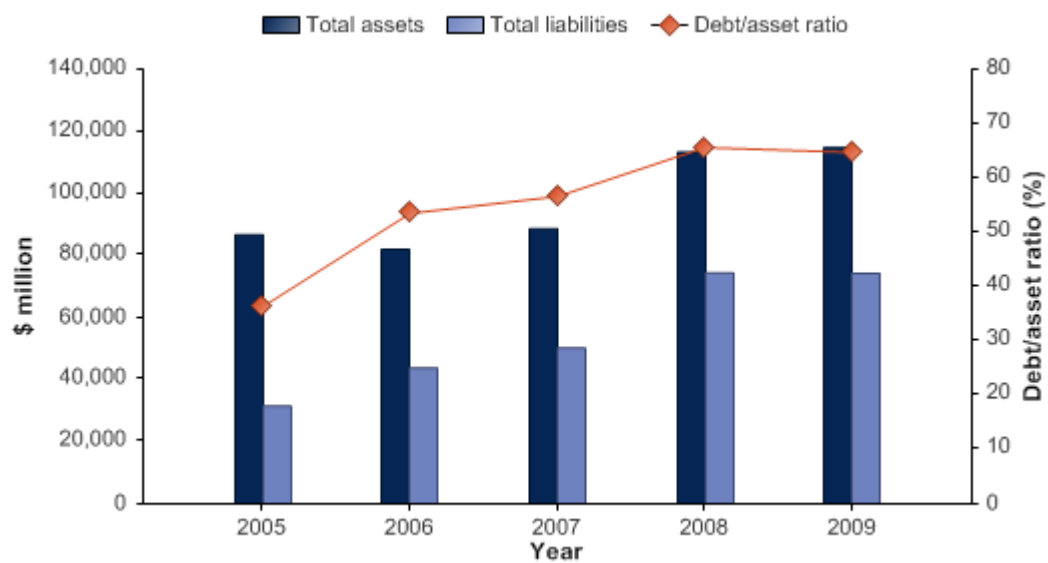
Source: company filings

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Figure 7: Hewlett-Packard Company: revenues & profitability

Source: company filings

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Figure 8: Hewlett-Packard Company: assets & liabilities

Source: company filings

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Toshiba Corporation

Table 11: Toshiba Corporation: key facts

Head office:	1-1 Shibaura 1 chome, Minato-ku, Tokyo, 105 8001, JPN
Telephone:	81 3 3457 4511
Fax:	81 3 3455 1631
Website:	www.toshiba.com
Financial year-end:	March
Ticker:	6502
Stock exchange:	Tokyo

Source: company website

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Toshiba manufactures and sells a range of electrical and electronic products. The company's products cover personal and professional computing systems, telecommunications and medical equipment, industrial machinery, consumer appliances, electronic components, and semiconductors. The company operates in Asia, the Americas, Australia, Africa and Europe.

The company operates through five business divisions: digital products, social infrastructure systems, electronic devices, home appliances, and others.

The digital products division comprises mobile communications company, digital media network company, personal computer and network company, and Toshiba TEC Corporation.

The mobile communications company manufactures cellular phones with multimedia capabilities and for all technology platforms.

The digital media network company offers imaging and audio equipment, and mass storage devices. Within imaging and audio equipment, it offers liquid crystal display televisions (LCD TVs), hard disc drives (HDD), digital video disc (DVD) recorders, digital audio players and LCD projectors. In mass storage, the company provides small form factor HDD.

The personal computer and network company manufactures notebook personal computers, personal digital assistants (PDAs), business telephone systems and servers for the home, office, and mobile environments.

Toshiba TEC Corporation provides solutions in three business areas: retail solutions and systems, document processing systems, and automated ID systems. Its products include retail information systems, such as POS (point of sales) terminals, electronic cash registers; document systems, including

multi-function peripherals (MFP) and facsimile equipment; automated ID systems, barcode systems and printers.

The social infrastructure systems division consists of power systems company, transmission distribution and industrial systems company, social infrastructure systems company, Toshiba Elevator and Building Systems Corporation, Toshiba Solutions Corporation, and Toshiba Medical Systems Corporation.

The power systems company offers nuclear, thermal and hydroelectric power plants and also provides electric power supply solutions. Its product portfolio includes boiling water reactor (BWR) and pressurized water reactor (PWR) plants; nuclear fuel reprocessing facilities; hydroelectric, thermal and geothermal power generating equipment; and fuel cells.

The transmission distribution and industrial systems company provide power distribution systems; industrial systems in many areas; and transportation systems that integrate the control technology with IT. Its product portfolio includes transmission and distribution systems, control and measuring systems and equipment, industrial computers, transportation information systems, railway station service systems, and rechargeable batteries.

The social infrastructure systems company offers social infrastructure systems, water and environmental systems and security and automation systems. Its products include road traffic control systems; building energy management systems; control systems for water purification and sewage treatment plants; telecommunications network systems; air traffic control and navigation aid systems; radar and radio application systems, automated letter-processing systems; and walk through face recognition systems. Mobile Broadcasting, a subsidiary of Toshiba, decided to stop satellite digital multimedia broadcasting and all related services by the end of March 2009.

The Toshiba Elevator and Building Systems Corporation develop, deliver and maintain elevators and escalators and provide integrated building management services.

The Toshiba Solutions Corporation offers a wide range of services for software, industry solutions, business solutions, platform solutions and engineering solutions. Its service portfolio includes consultation, design, development, implementation, outsourcing services and maintenance services for software. The industry solutions focus on manufacturing, distribution and services, media and telecommunications, banking, securities and insurance and electronic government systems. The business solutions cover human resources management, enterprise resource planning and customer relationship management. The engineering solution offerings include social infrastructure systems, embedded systems, and semiconductor systems.

Toshiba Medical Systems Corporation offers advanced diagnostic imaging modalities. Its product portfolio comprises of X-ray systems, computed tomography systems, ultrasound systems, magnetic resonance

imaging systems, nuclear medicine systems, hospital information systems, radiology information systems, picture archiving and communication systems.

The electronic devices division includes the operations of semiconductor company, display devices and components control center, and Toshiba Matsushita Display Technology.

The semiconductor company focuses on three segments: memories, system LSIs and discrete devices. It offers the products including NAND flash memories, multi-chip package (MCPs), broadband system LSIs, SoCs (system on chip) for multimedia, custom SoCs, MCUs, SoCs for communications, display drivers, analog ICs, CMOS image sensors, general-purpose CMOS logic, SSDs, small signal devices, power devices, opto-semiconductor devices.

The display devices and components control center manages electron tubes business the materials business, components business, and the solid state device business, including thermal print heads. It also manages the business including direct methanol fuel cells (DMFC) for mobile devices, DNA chips and photo catalysts. Its product portfolio includes Klystrons, gyrotrons, X-ray tubes, X-ray image intensifiers, thermal print heads, tungsten and molybdenum products, phosphor application products, high purity sputtering targets, amorphous magnetic parts, fine ceramics, magnetrons for microwave ovens, and DNA chips.

The Toshiba Matsushita Display Technology involves in product development, production and sales of TFT LCDs and organic LED displays. The company is familiarized in low temperature polysilicon TFT technology, the preferred display for mobile devices and the supporting technology for organic LED.

The company operates its home appliances division through Toshiba Consumer Electronics Holdings. Toshiba Consumer Electronics Holdings addresses daily needs, with consumer appliances. It also manages the activities of Toshiba Home Appliances, Toshiba Consumer Marketing, and Toshiba's businesses in air conditioners, lighting fixtures, and other appliances. The company's home appliances product portfolio consists of refrigerators; washing machines; microwave ovens; vacuum cleaners; electric irons; rice cookers and automatic dish washers; lighting and lighting systems; room, building and commercial air conditioning products, systems and technologies; water heating systems; primary batteries; and battery powered appliances.

The others division comprises web integration services, real estate, distribution services, application service provision, and electronic program guide.

Key Metrics

The company recorded revenues of \$71,083 million in the fiscal year ending March 2009, a decrease of 13.2% compared to fiscal 2008. Its net loss was \$3,670 million in fiscal 2009, compared to a net income of \$1,361 million in the preceding year.

In FY2009, the digital products division recorded revenues of JPY2,467,524 million (approximately \$26,357.7 million), a decrease of 16.4% over FY2008.

The social infrastructure division recorded revenues of JPY2,396,209 million (approximately \$25,596 million) in FY2009, a decrease of 0.9% over FY2008.

The electronic devices division recorded revenues of JPY1,324,914 million (approximately \$14,152.5 million) in FY2009, a decrease of 23.8% over FY2008.

The home appliances division recorded revenues of JPY674,245 million (approximately \$7,202.2 million) in FY2009, a decrease of 12.9% over FY2008.

The others division recorded revenues of JPY334,298 million (approximately \$3,570.9 million) in FY2009, a decrease of 12.5% over FY2008.

Japan, Toshiba 's largest geographical market, accounted for 59.1% of the total segment revenues in FY2009. Revenues from Japan reached JPY5,346,279 million (approximately \$57,108.2 million) in FY2009, a decrease of 13% over FY2008.

Asia accounted for 17.5% of the total segment revenues in FY2009. Revenues from Asia reached JPY1,581,983 million (approximately \$16,898.5 million) in FY2009, a decrease of 14.7% over FY2008.

North America accounted for 12.3% of the total segment revenues in FY2009. Revenues from North America reached JPY1,112,054 million (approximately \$11,878.8million) in FY2009, a decrease of 8% over FY2008.

Europe accounted for 9.9% of the total segment revenues in the FY2009. Revenues from Europe reached JPY894,059 million (approximately \$9,550.2million) in FY2009, a decrease of 14% over FY2008.

The others segment accounted for 1.3% of the total segment revenues in FY2009. Revenues from the others segment reached JPY115,501 million (approximately \$1,233.8 million) in FY2009, an increase of 1.8% over FY2008.

Table 12: Toshiba Corporation: key financials (\$)

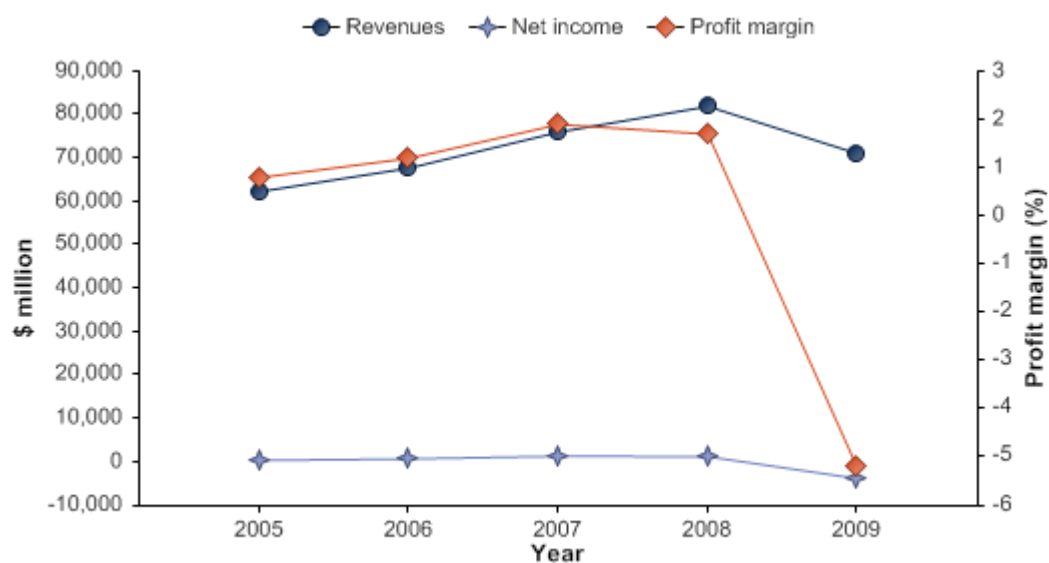
\$ million	2005	2006	2007	2008	2009
Revenues	62,340.8	67,760.4	76,015.8	81,909.3	71,082.6
Net income (loss)	491.8	835.2	1,468	1,361	(3,669.8)
Total assets	48,831.1	50,494.3	63,364.3	63,403.6	58,250.5
Total liabilities	40,120	39,789.3	51,525.4	52,483.9	53,472.1
Employees	165,000	172,000	191,000	198,000	199,000
Source: company filings				DATAMONITOR	

Table 13: Toshiba Corporation: key financials (JPY)

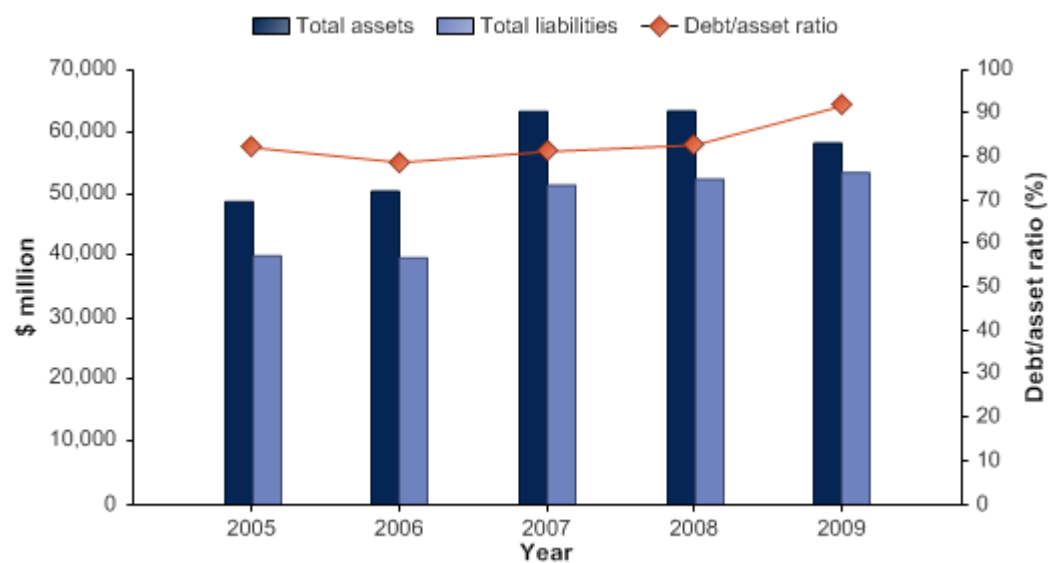
JPY million	2005	2006	2007	2008	2009
Revenues	5,836,139	6,343,506	7,116,350	7,668,076	6,654,518
Net income (loss)	46,041	78,186	137,429	127,413	(343,559)
Total assets	4,571,412	4,727,113	5,931,962	5,935,637	5,453,225
Total liabilities	3,755,905	3,724,948	4,823,641	4,913,372	5,005,879
Source: company filings				DATAMONITOR	

Table 14: Toshiba Corporation: key financial ratios

Ratio	2005	2006	2007	2008	2009
Profit margin	0.8%	1.2%	1.9%	1.7%	(5.2%)
Revenue growth	4.6%	8.7%	12.2%	7.8%	(13.2%)
Asset growth	2.4%	3.4%	25.5%	0.1%	(8.1%)
Liabilities growth	1.3%	(0.8%)	29.5%	1.9%	1.9%
Debt/asset ratio	82.2%	78.8%	81.3%	82.8%	91.8%
Return on assets	1.0%	1.7%	2.6%	2.1%	(6.0%)
Revenue per employee	\$377,823	\$393,956	\$397,988	\$413,683	\$357,199
Profit per employee	\$2,981	\$4,856	\$7,686	\$6,874	(\$18,441)
Source: company filings				DATAMONITOR	

Figure 9: Toshiba Corporation: revenues & profitability

Source: company filings

DATAMONITOR**Figure 10: Toshiba Corporation: assets & liabilities**

Source: company filings

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MARKET FORECASTS

Market value forecast

In 2014, the global computers & peripherals industry is forecast to have a value of \$690.1 billion, an increase of 29.1% since 2009.

The compound annual growth rate of the industry in the period 2009–14 is predicted to be 5.2%.

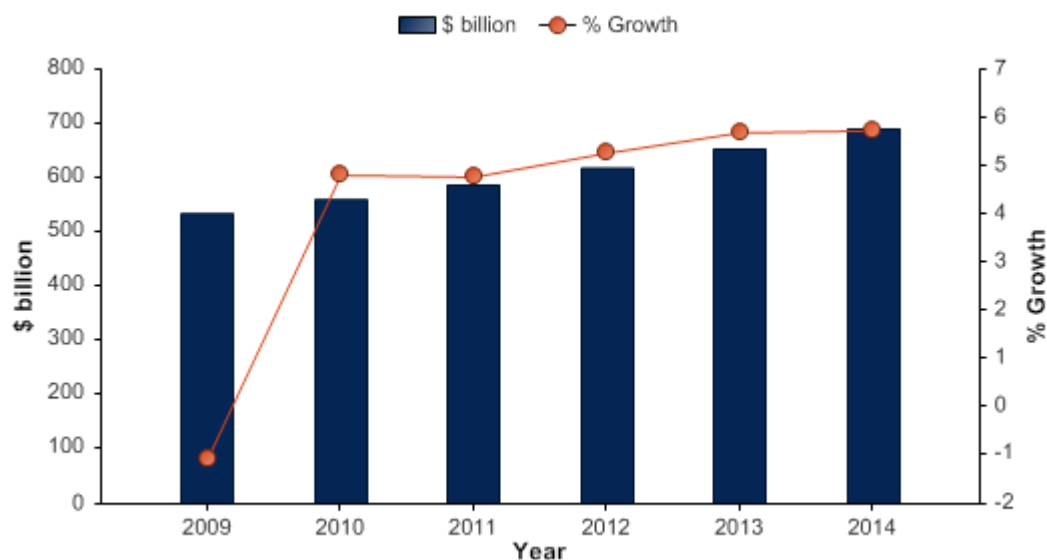
Table 15: Global computers & peripherals industry value forecast: \$ billion, 2009–14

Year	\$ billion	€billion	% Growth
2009	534.4	384.3	(1.1%)
2010	560.1	402.8	4.8%
2011	586.8	422.0	4.8%
2012	617.7	444.2	5.3%
2013	652.8	469.5	5.7%
2014	690.1	496.3	5.7%
CAGR: 2009–14			5.2%

Source: Datamonitor

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Figure 11: Global computers & peripherals industry value forecast: \$ billion, 2009–14



Source: Datamonitor

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APPENDIX

Methodology

Datamonitor Industry Profiles draw on extensive primary and secondary research, all aggregated, analyzed, cross-checked and presented in a consistent and accessible style.

Review of in-house databases – Created using 250,000+ industry interviews and consumer surveys and supported by analysis from industry experts using highly complex modeling & forecasting tools, Datamonitor's in-house databases provide the foundation for all related industry profiles

Preparatory research – We also maintain extensive in-house databases of news, analyst commentary, company profiles and macroeconomic & demographic information, which enable our researchers to build an accurate market overview

Definitions – Market definitions are standardized to allow comparison from country to country. The parameters of each definition are carefully reviewed at the start of the research process to ensure they match the requirements of both the market and our clients

Extensive secondary research activities ensure we are always fully up-to-date with the latest industry events and trends

Datamonitor aggregates and analyzes a number of secondary information sources, including:

- National/Governmental statistics
- International data (official international sources)
- National and International trade associations
- Broker and analyst reports
- Company Annual Reports
- Business information libraries and databases

Modeling & forecasting tools – Datamonitor has developed powerful tools that allow quantitative and qualitative data to be combined with related macroeconomic and demographic drivers to create market models and forecasts, which can then be refined according to specific competitive, regulatory and demand-related factors

Continuous quality control ensures that our processes and profiles remain focused, accurate and up-to-date

Industry associations

Computer & Communications Industry Association

666 11th Street, NW, Washington, DC 20001, USA

Tel.: 1 202 783 0070

Fax: 1 202 783 0534

<http://www.ccianet.org>

Storage Networking Industry Association

500 Sansome Street, Suite #504, San Francisco, CA 94111, USA

Tel.: 1 415 402 0006

Fax: 1 415 402 0009

<http://www.snia.org>

Related Datamonitor research

Industry Profile

Global Computers Storage & Peripherals

Global Software & Services

Global Systems Software

Global IT Services

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The Datamonitor Group is a world-leading provider of premium global business information, delivering independent data, analysis and opinion across the Automotive, Consumer Markets, Energy & Utilities, Financial Services, Logistics & Express, Pharmaceutical & Healthcare, Retail, Technology and Telecoms industries.

Combining our industry knowledge and experience, we assist over 6,000 of the world's leading companies in making better strategic and operational decisions.

Delivered online via our user-friendly web platforms, our market intelligence products and services ensure that you will achieve your desired commercial goals by giving you the insight you need to best respond to your competitive environment.

Premium Reports

Datamonitor's premium reports are based on primary research with industry panels and consumers. We gather information on market segmentation, market growth and pricing, competitors and products. Our experts then interpret this data to produce detailed forecasts and actionable recommendations, helping you create new business opportunities and ideas.

Summary Reports

Our series of company, industry and country profiles complements our premium products, providing top-level information on 30,000 companies, 3,000 industries and 100 countries. While they do not contain the highly detailed breakdowns found in premium reports, profiles give you the most important qualitative and quantitative summary information you need - including predictions and forecasts.

Datamonitor consulting

We hope that the data and analysis in this profile will help you make informed and imaginative business decisions. If you have further requirements, Datamonitor's consulting team may be able to help you. For more information about Datamonitor's consulting capabilities, please contact us directly at consulting@datamonitor.com.